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SECRET

DD/ST# 3576-67

1 September 1967

MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT : Requests for Procurement (Contract) Actions Involving RD&E Services Estimated to Cost in Excess of $150,000

REFERENCE : Memo dtd 26 Aug 67 to DD/S&T fm DD/S, subject: Activation Date of the Agency Contract Review Board

1. As you were advised by referenced memorandum, the Agency Contract Review Board will commence to function on 1 September 1967, and all research, development, and engineering (RD&E) undertakings, in excess of $150,000 funded from Agency appropriations, will thereafter be reviewed by the Board. A statement of the Board's responsibilities was also furnished to you, as an attachment to the reference.

2. The Board has considered initial procedures necessary to implement its functioning, as prescribed, and has authorized the issuance of initial instructions for submitting cases for review. Such instructions, as are applicable to your Directorate, are contained in this memorandum.

3. The Board is responsible for review of RD&E procurement actions at two points in time - initially, when your Directorate issues its request for procurement (contract) action, and secondly, when the Contracting Officer has negotiated and drafted his proposed contract ready for, but prior to, signature.

4. Board Review of RD&E Requests for Procurement (Contract) Action in Excess of $150,000:

As your Directorate issues requests for procurement (contract) action involving RD&E services estimated to exceed $150,000, same should be addressed to the cognizant Contracting Officer via the Agency Contract Review Board (Attention: Executive Secretary). Except for this routing via the Agency Contract Review Board, such requests will be prepared as heretofore, with the same attached documentation, evaluation reports, contractor's proposals, etc. Prompt review of such requests will be accomplished by

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the Board, and same transmitted on to the cognizant Contracting Officer after Board actions are approved by the Director of Logistics. Your Directorate Board Member will normally be in close contact and familiar with the details of any such requests for procurement action, and will be expected to advise the Board with respect to such cases and any unique problems associated therewith. He or the Board may request your Project Officer to meet with the Board for further explanations. Also, the Contracting Officer may be requested to meet with the Board for explanation or for further procurement planning purposes.

5. Review of Proposed RD&E Contracts and Amendments in Excess of $150,000:

a. Proposed contracts or amendments for (1) RD&E services or (2) prototypes or first follow-on production units of previously developed equipment being procured sole source from the developer thereof, which individually exceed $150,000, shall be presented to the Board for review prior to the Contracting Officer's signature. Likewise, overrun funding amendments, if overrun funding exceeds $22,500 and also exceeds 15 percent of original cost estimate, shall be presented to the Board. The Board may, from time-to-time, waive prior review of specific contracts or class of contracts.

b. Proposed RD&E contracts and amendments of any amount or nature, but concerning which the Contracting Officer has professional doubt or uncertainty as to whether the Government's best interests have been or will likely be served, should also be submitted to the Board for review and advisory comment.

c. Procedures and practices for submitting contracts and amendments to the Board for review shall be flexible to permit expeditious submission to, and prompt consideration by, the Board. As a minimum, such submissions should be accomplished by routing the Contracting Officer's "procurement justification" memorandum (as normally prepared in accordance with good procurement practices), with official contract file attached, to the Agency Contract Review Board (Attention: Executive Secretary). The cognizant Contracting Officer may, if desired and deemed appropriate for better Board understanding, submit a separate digest of salient and important facts with his suggested interpretations and conclusions. The Executive

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Secretary will, in writing, "brief" the facts and issues of each case and furnish copies thereof to each Board member and permanent advisor. Following Board consideration, all submitted documents and files will be returned to the Contracting Officer with a statement of the Board's recommendations and Director of Logistics actions.

6. Board Meetings:

The Board shall meet regularly each Thursday at 1100. Cases submitted for review during the week preceeding any such regular meeting shall be placed on the agenda. Unscheduled Board meetings will be called as necessary to consider cases presenting time-urgencies, through prearrangement with the Board's Chairman. To further expedite the Board's processing of cases under review, the Board may, from time-to-time, authorize its Chairman to waive full Board review of certain cases, particularly requests for procurement (contract) action which present no unique policy or coordination problems. Such cases would not, therefore, be placed on the regular Board agenda and would be processed through the Board in a correspondingly shorter time.

7. These are initial procedures for processing cases through the Board. As it acquires more experience, with participation and suggestions from each Directorate Board Member, these procedures may be modified to some degree. 25X1

Chairman, Contract Review Board

cc: DD/S (2)
OF/ICAD
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